

## Message Text

LIMITED OFFICIAL USE

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ACTION XMB-04

INFO OCT-01 AF-08 ISO-00 L-03 AID-05 CIAE-00 COME-00

EB-08 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00

OPIC-03 SP-02 OMB-01 /051 W

-----241622Z 078488 /53

P 241345Z MAR 77

FM AMEMBASSY NAIROBI

TO SECSTATE WASHDC PRIORITY 7034

LIMITED OFFICIAL USE NAIROBI 3785

FOR EXIMBANK

PASS MAJOR PROJECTS DIVISION/USDOC

E.O. 11652: N/A

TAGS: BEXP, EFIN, EIND, EINV, XMB, KE

SUBJECT: KENYA FIBRE CORPORATION LTD.

REF: (A) NAIROBI 3578, (B) NAIROBI 3563, (C) NAIROBI 1295

1. LEONARD KIBINGE, PERM SEC, MINISTRY FINANCE AND PLANNING, RANG AMBASSADOR MARCH 23 TO MAKE STRONG, OFFICIAL PLEA FOR CONTINUING EXIMBANK SUPPORT FOR CHEMTEX POLYESTER PROJECT. KIBINGE SAID MESSRS. GABA AND MALLOY HAS TALKED WITH HIM MARCH 18 ON OTHER SUBJECTS. IN PASSING THEY SEEM TO HAVE LEFT IMPRESSION WITH KIBINGE THAT EXIMBANK MIGHT FIND IT NECESSARY, IN KIBINGE 'S WORDS, QUOTE TO WITHDRAW ITS EARLIER SUPPORT FOR CHEMTEX PROJECT UNQUOTE.

2. KIBINGE EMPHASIZED HEAVY GOK COMMITMENT TO THIS POLYESTER PLANT. EMBASSY UNDERSTAND FROM KENYAN PARTNER NITIN MADHVANI THAT GOK HAS ALREADY PAID IN TEN MILLION SHILLING (1.2 MILLION DOLLARS) TOWARD EQUITY.

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3. KINGINGE REQUESTED IMMEDIATE STATUS REPORT FROM SENIOR EXIMBANK OFFICIALS ON CURRENT PROSPECTS, SO THAT HE COULD BREIF FINANCE MINISTER MWAI KIBAKI.

4. EMBASSY BELIEVES EXIMBANK SHOULD TAKE ACCOUNT OF PROBABILITY THAT KIBAKI WILL TAKE DIRECT INTEREST IN

THIS CASE, WITH CONSEQUENT IMPLICATIONS FOR OTHER ASPECTS  
OF U.S. BUSINESS IN KENYA.

5. ACTION REQUESTED: IN LIGHT GOK'S OFFICIAL REQUEST,  
EMBASSY RECOMMENDS THAT EXIMBANK CONTINUE TO DEVOTE  
MOST CAREFUL CONSIDERATION TO KENYA FIBRE'S APPLICATION,  
AND ESPECIALLY TO THOSE POSITIVE COMMERCIAL FACTORS WHICH  
MAY HELP TO RECOMMEND FINANCING SUCH AS REPORTED CHANGE  
IN PROPOSED DEBT/EQUITY RATIO FROM 5/1 TO 3/1. WE WISH  
EMPHASIZE, HOWEVER, THAT THIS EMBASSY IS NOT REPEAT NOT  
RECOMMENDING QUOTE POLITICAL LOAN UNQUOTE. PLEASE RESPOND  
AT ONCE, THROUGH EMBASSY, TO KIBINGE'S REQUEST THAT HE BE  
GIVEN CURRENT STATUS ON LIKELIHOOD OF FINANCING, SO  
THAT KIBINGE CAN BRIEF KIBAKI.

6. THIS MESSAGE SHOWN TO MESSRS. GABA AND MALLOY, FOR THEIR  
INFORMATION ONLY, BEFORE TRANSMISSION.

DECON 3/24/78.

MARSHALL

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
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**Concepts:** FOREIGN INVESTMENTS  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Enclosure:** n/a  
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**TAGS:** BEXP, EFIN, EIND, EINV, KE, XMB, KENYA FIBRE CORP LTD  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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